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GOVERNOR



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
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June 26, 2008

P.A. Nicholas
Molokai Public Utilities, Inc.
Wai`ola O Moloka`i, Inc.
MOSCO, Inc.
Molokai Properties Limited, dba Molokai Ranch
745 Fort Street Mall, Suite 600
Honolulu, Hawaii 96813

Brian T. Moto, Corporation Counsel
Jane E. Lovell, Deputy Corporation Counsel
Department of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Catherine P. Awakuni
Executive Director
Department of Commerce and Consumer Affairs
Division of Consumer Advocacy
P.O. Box 541
Honolulu, Hawaii 96809

Re: Docket No. 2008-0115 – In Re. Molokai Public Utilities, Inc., Wai`ola O Moloka`i, Inc., and MOSCO, Inc. (collectively, "Utilities") for Temporary Rate Relief

Dear Parties:

Please be advised that the Commission will require at least one representative to appear on behalf of: the County of Maui; the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; and collectively, Molokai Properties Limited, dba Molokai Ranch and the Utilities, at the public hearing in this matter scheduled for July 15, 2008, at 10:00 a.m., at Maunaloa Elementary School, 128 Maunaloa Road, Maunaloa, HI 96770. The Commission will allow, at the beginning of the public hearing, the parties an opportunity to make a presentation

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concerning the proposed temporary rate increases for the Utilities, and issues related to the provision of uninterrupted utility services to the Utilities' customers.

Enclosed is a copy of the Notice of Public Hearing. In compliance with Hawaii Revised Statutes ("HRS") §§ 269-12 and 269-16, the Notice is scheduled for publication on June 24 and 30, 2008 and July 7 and 14, 2008 in the Honolulu Star-Bulletin, The Maui News, The Garden Island, Hawaii Tribune-Herald, and West Hawaii Today. It is also scheduled to appear in The Molokai Times on June 25, 2008 and July 2 and 9, 2008; and in the Molokai Dispatch on June 26, 2008, and July 3 and 10, 2008.

The Utilities are reminded that they are required to notify their customers of the public hearing, in compliance with HRS § 269-12(c), and provide proof of notification to the Commission prior to the hearing.

Thank you for your cooperation. Please contact Kaiulani Kidani Shinsato at 586-2019 if you have any questions.

Sincerely,



Carlito P. Caliboso
Chairman

CPC:KKS:ps

Enclosure

NOTICE OF PUBLIC HEARING

IN THE MATTER OF MOLOKAI PUBLIC UTILITIES, INC. ("MPU"), WAI'OLA O MOLOKA'I, INC. ("WAI'OLA"), AND MOSCO, INC. ("MOSCO") FOR TEMPORARY RATE RELIEF

DOCKET NO. 2008-0115

The PUBLIC UTILITIES COMMISSION of the STATE OF HAWAII ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-16 and 269-12, HEREBY GIVES NOTICE that it will hold a public hearing on **Tuesday, July 15, 2008, at 10:00 a.m. at Maunaloa Elementary School, 128 Maunaloa Road, Maunaloa, Molokai, Hawaii**, relating to the Commission's proposed temporary rate increases for MPU and Wai'ola, in order to ensure the continued operations of MPU, Wai'ola, and Mosco (collectively, "Utilities") until a third party is able to take over the Utilities' systems.

On June 16, 2008, after being informed by the Utilities and Molokai Properties Limited, dba Molokai Ranch ("MPL") that the Utilities' services would be terminated by the end of August 2008 if the County of Maui ("County") or a third party did not take over the Utilities' operations, the Commission opened this proceeding to provide any required temporary rate relief to the Utilities, via a temporary surcharge, to ensure continued water and wastewater services while a third party is found to take over the Utilities' systems. To address financial issues raised by the Utilities as the basis for their inability to continue operations, the Commission proposed the following temporary rate increases for MPU and Wai'ola: (1) for MPU, an increase in revenues of \$297,965, which is 40.95% more than its 2007 reported water revenues of \$727,458; and (2) for

Wai'ola, an increase in revenues of \$163,839, which is 121.50% more than its 2007 reported water revenues of \$134,813. Because the Commission found that Mosco is still financially viable and operating at a profit, it proposed a 0.00% increase over present rates for Mosco.

The proposed temporary rate relief is designed solely to make MPU and Wai'ola whole (i.e., so that their operating revenues will cover, or equal, their operating expenses), such that they can continue to provide service on an interim basis. Moreover, the proposed rate relief is designed to be temporary. Thus, the temporary rate increases approved in this proceeding will be effective for a period of six (6) months from the date of an order by the Commission approving the increases; unless otherwise ordered by the Commission.

The Commission named as parties to this proceeding: MPU, Wai'ola, Mosco, MPL, the County of Maui, and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), who is statutorily mandated to represent, protect, and advance the interests of all consumers of utility service, and is an ex officio party to any proceeding before the Commission. The Commission permitted the Parties to comment on the Commission's proposed temporary rate increases. As such, the temporary rate increases to be finally approved by the Commission may be higher or lower than the proposed temporary increases noted above.

All interested persons are invited to attend the public hearing to state their views orally, in writing, or both. Written statements may be submitted prior to, after, or at

the public hearing. Statements may be mailed to the Public Utilities Commission, 465 South King Street, Room 103, Honolulu, Hawaii, 96813. Statements may also be sent by electronic mail to the Commission's e-mail address at Hawaii.PUC@hawaii.gov. All written statements should reference Docket No. 2008-0115 and include the following information: (1) name of the person submitting the written statement; (2) organization the person submitting the written statement represents (if any); and (3) address of the person submitting the written statement.

A copy of the Commission's order opening this docket will be posted on the Commission's website at www.hawaii.gov/budget/puc. In addition, hard copies of the order will be available for public inspection during regular business hours at the following locations:

Public Utilities Commission

465 South King Street, Room 103
Honolulu, HI 96813
Phone: (808) 586-2020

State Office Building No. 1
54 South High Street, Room 218
Wailuku, HI 96793
Phone: (808) 984-8182

Division of Consumer Advocacy

King Kalakaua Building
335 Merchant Street, Room 326
Honolulu, HI 96813
Phone: (808) 586-2800

Special arrangements to accommodate persons with disabilities can be made if requested reasonably in advance of the public hearing by contacting the Commission's Honolulu Office.



Carlito P. Caliboso
Chairman

Honolulu Star-Bulletin
The Maui News
The Garden Island
Hawaii Tribune-Herald
West Hawaii Today
June 24, 30, July 7 and 14, 2008

The Molokai Times
June 25, July 2 and 9, 2008

Molokai Dispatch
June 26, July 3 and 10, 2008